

4 CALCULATING YOUR LIABILITY FOR A BENEFIT CLAIM

Proportional Charging

If you are the only employer who paid the claimant wages for covered employment in his/her base period, you are the only employer with potential liability for benefits paid on the claim.

However, if the claimant was paid wages for covered employment by more than one employer in his/her base period, the liability for benefit payments is prorated. Each employer is then responsible for a percentage of each payment, which is equal to the percentage of the total base period wages paid to the claimant by that employer.

Example

Total base period wages = \$10,000
Covered base period wages paid by
Employer A = \$5,000 (50%)
Covered base period wages paid by
Employer B = \$2,500 (25%)
Covered base period wages paid by
Employer C = \$2,500 (25%)

If the claimant is paid an unemployment check in the amount of \$200, the employers' charges would be:

Employer A = \$100 (50%)
Employer B = \$50 (25%)
Employer C = \$50 (25%)

Notice of Liability and Charges

- Form UCB-701, Computation of Unemployment Insurance Benefits. This form is sent to you weekly and will list all claimants for whom benefit computations were made during the report period if you are potentially liable for some or all of the benefits in the computation. This is not a report of benefits paid nor charges made to your account. Actual payment of benefits may depend on investigation of other eligibility issues. The form simply lets you know your potential liability based on the proportional charging of employers in the base period.

- Form UCB-7074, Unemployment Insurance Benefit Charges and Adjustments Report. This form is mailed to you 4 times each month to notify you of **actual benefit charges and adjustments made to your account.**

Review both of the above forms carefully for errors and contact one of the Unemployment Benefit Centers if you disagree with any of the information on them. (See Part 9 for a detailed explanation of these forms.)

****Important point to remember****

Because we pay benefits for up to 1 year (benefit year) based on wages paid up to 1-1/2 years before a claim was filed (base period wages), you may still be liable for benefits as much as 2-1/2 years after the claimant stops working for you.

(In some cases, contributing employers are relieved of charges for the second benefit year. See the second bullet point below.)

Situations When Liable Employers are Relieved of Charges

- If you paid less than 5% of the covered base period wages for a claim, you usually are not liable for any portion of the benefits paid. Whether a contributing or reimbursable employer, your share of the liability is redistributed to the other base period employers. However, if the liable base period employers include either an out-of-state employer, a federal civilian employer or federal military service, this provision is not applicable.
- When a claimant's benefit year ends, (s)he can immediately start a second successive benefit year if (s)he is still unemployed and meets all of the qualifying wage requirements (see Part 3 for an explanation of the qualifying wage requirements and an example that illustrates successive benefit years.) If you paid wages to the claimant in both base periods, your account will not be charged for your share of the benefits paid in the second benefit year if the wages are for the same period of employment. Any work the claimant performed for you after starting the second benefit year is considered a new

period of employment. This provision only applies to contributing employers. It does not apply to reimbursable employers.

- If you are a contributing or reimbursable Wisconsin employer and a claimant worked for you in a week for which partial unemployment benefits are payable, you will not be liable for your share of the benefits paid for that week if the gross wages the claimant earned from you during that week are equal to or greater than 6.4% of the wages you paid him/her in the same calendar quarter of the previous year. This provision only applies when there is more than one base period employer.

The 6.4% amount is computed for each quarter of the prior calendar year and is approximately 80% of the average weekly wage paid during that quarter. For any week that the claimant earns gross wages that equal the 6.4% amount calculated for the comparable quarter in the prior calendar year, you are relieved of your share of the benefits paid for that week. For any week that the claimant does not earn gross wages that equal this 6.4% amount, you are not relieved of your liability.

This “part-time noncharge” provision is applied on a weekly basis **after** a benefit check has been paid. This means that your account is initially charged for your share of each benefit check when it is paid. Then, if you are not liable for the benefits paid based on the 6.4% provision, your account is automatically credited for the benefits that were charged. The charge and credit may or may not appear on the same UCB-7074 UI Benefit Charges and Adjustments Report (See Part 9 Item J for more information about this report.)

The following example illustrates how this provision is applied.

Example

Gross wages you paid to the claimant in the 1st calendar quarter of 2005 = \$2,000

6.4% amount for this quarter = \$128

In the **week ending 02/18/06**, gross wages claimant earned from you = \$150

In the **week ending 03/18/06**, gross wages claimant earned from you = \$120

You **will receive a credit** for benefits charged to your account for the **week ending 02/18/06**

You **will not receive a credit** for benefits charged to your account for the **week ending 03/18/06** because the wages the claimant earned from you in that week do not equal or exceed the 6.4% amount (\$128) calculated for the same calendar quarter of the previous year (1st quarter of 2005).

- If you paid at least 80% of a claimant's base period wages, **and** the claimant worked, was paid or could have been paid for a total of 35 or more hours by you for a week for which benefits are being claimed, (s)he is not eligible for any benefits for that week. See Part 6 and also Part 7, Item A for more information about this eligibility issue.
- There are other special provisions and eligibility issues that may relieve an employer of charges (i.e., Quits and Refused Work). These provisions are explained in Part 7.